

January 18, 2012

To: Executive Board

Subject: **Bus Option Order**

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### **Recommendation**

Authorize the Executive Director to exercise an existing option and negotiate final terms and conditions with North American Bus Industries (NABI) for the purchase of thirty-four (34), compressed natural gas (CNG) fueled, 42-foot coaches at a total cost of \$19,955,960.00, not including sales tax.

### **Analysis**

On September 26, 2008, the Foothill Transit Executive Board authorized the Executive Director to enter into Agreement No. 09-001 with NABI for the procurement of 30 CNG-fueled, 42-foot coaches with options to purchase an additional 60 buses with no minimum order quantity. These options are available to Foothill Transit at its discretion for a period of five years from the date of execution of the contract.

The Federal Transit Administration (FTA) stipulates that buses purchased with federal funds must remain in service for a minimum of 12 years or 500,000 miles, whichever comes first. Consistent with the current Foothill Transit fleet replacement plan, Foothill Transit currently has 23 remaining diesel buses that are eligible for retirement and need to be replaced. The expected delivery of the new buses will be the fourth quarter of 2013. At that time Foothill Transit will have more than 50 buses eligible for retirement. The diesel buses have been forced to remain in service longer than expected to allow Foothill Transit to expand the bus fleet to accommodate the "Los Angeles County ExpressLanes Project" now due to be implemented in October 2012.

NABI has provided a proposed price for the purchase of the buses based on Foothill Transit's current bus specifications and options. As required by FTA's Procurement Guidelines, the pricing of the option buses was evaluated as part of the original procurement. For this purchase, the cost is derived from the base order of thirty 42-foot coaches delivered to Foothill Transit in 2008, and includes appropriate producer price index (PPI) increases, as provided in the base contract for a total of \$10,042.00 over the original base cost for each bus. Also as required by the FTA, a price analysis has been conducted and documented and the price of these 34 buses has been determined to be fair and reasonable.

### **Budget Impact**

The base cost of 34 NABI 42-foot coaches is \$586,940.00 per bus including delivery. These 34 buses are identical to the 14 NABI buses now undergoing factory acceptance and are the last available NABI Options. In addition, project funding will be included to complete the FTA-required factory inspections. State of California sales/use tax will be paid separately by Foothill Transit. A portion of the funding for these vehicles is included in

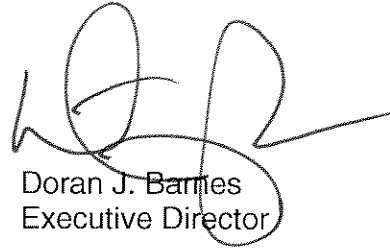
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Foothill Transit's approved FY 2012 Business Plan. The remaining funding will be programmed into the agency's FY 2013 Business Plan. The agreement with NABI will allow the number of buses ordered to be reduced should the additional funding not be included in Foothill Transit's 2013 Business Plan.

Sincerely,



George Karbowski  
Director of Operations and Maintenance



Doran J. Barnes  
Executive Director